September 09, 2025

Canstar Trucking Company Ltd. 2593 Lavender Court Abbotsford, BC V3G 3E7

Commissioner's Decision Canstar Trucking Company Ltd. (CTC Decision No. 27/2025)

Introduction

- 1. Canstar Trucking Company Ltd. ("Canstar") is a licensee within the meaning of the *Container Trucking Act* (the "Act").
- 2. Under sections 22 and 23 of the *Act*, minimum rates that licensees must pay to truckers who provide container trucking services ("CTS") were first established in the *Container Trucking Regulation* ("*Regulation*") by the Lieutenant Governor in Council and, subsequently, by the Commissioner ("Rate Order"). Licensees must comply with the established rates. In particular, section 23(2) of the *Act* states:

A licensee who employs or retains a trucker to provide container trucking services must pay the trucker a rate and a fuel surcharge that is not less than the rate and fuel surcharge established under section 22 for those container trucking services.

- 3. Under section 31 of the *Act*, the Commissioner may initiate an audit or investigation to ensure compliance with the *Act*, *Regulation* and the CTS license whether or not a complaint has been received by the Commissioner.
- 4. On February 10, 2025, the Office of the BC Container Trucking Commissioner ("OBCCTC") initiated a random audit of Canstar to determine compliance with the *Act, Regulation*, and CTS license between January 1, 2021 and May 31, 2024 ("Audit Scope").
- 5. Canstar has been the subject of two previous audits. In 2017, the Commissioner determined that Canstar had failed to pay 13 company drivers the regulated rates between May 14, 2015 and August 31, 2017 and owed a total of \$4,150.79.\(^1\) An administrative penalty of \$1,500 was issued. In 2022, Canstar was determined to be compliant with the regulated rates for the months of July 2018, August 2019 and November 2020.

<u>Audit</u>

6. On February 10, 2025, the OBCCTC requested payroll records for the periods of February and April 2021, September and December 2022, January and April 2023, and February and May 2024 ("Audit Period").

¹ See Canstar Trucking Company Ltd. (CTC Decision No. 26/2017)

- 7. Canstar provided the required information by the deadline, with the exception of any payroll records for February and April 2021. The current owners of Canstar explained that the previous owner had destroyed all the records prior to August 2021, and the current owners stated they were unaware they were required to maintain records for four years.
- 8. The auditor determined that Canstar paid all its drivers the regulated hourly rate for all hours worked in December 2022, January and April 2023, and February and May 2024. The auditor's review of the September 1 to 15, 2022 pay period identified a discrepancy between one driver's daily timesheet and wages resulting in 0.50 hours not being paid and \$14.44 owing.
- 9. On July 22, 2025, the auditor prepared an audit report ("Audit Report") that concluded the following:
 - An audit of February and April 2021 could not be completed because Canstar failed to provide the payroll records.
 - One company driver was not paid for 0.50 hours worked in September 2022 and was underpaid \$14.44.
 - Canstar was compliant with the section 22 and 23 of the *Act,* and section 24(1) of the *Regulation* for December 2022, January and April 2023, and February and May 2024.
- 10. A copy of the Audit Report was provided to Canstar on July 30, 2025 with a deadline to provide a submission no later than August 29, 2025. Canstar provided a submission by the deadline.

<u>Licensee's Response</u>

- 11. Canstar restates that it was unaware of the "four-year record retention requirement outlined in Appendix D, Section B (1) of the Container Trucking Services License" but has taken steps to ensure that all records are properly maintained and readily available for future audits.
- 12. Canstar does not agree that it underpaid a driver \$14.44 in the September 1 -15, 2022 pay period. Canstar states the driver worked from 7:30AM to 8:15PM on September 9, 2022 for a total of 12 hours and 45 minutes but the driver incorrectly totaled 13 hours and 15 minutes in his timesheet. The discrepancy of 0.50 hours was corrected at the time and the driver was paid 12 hours and 45 minutes for the actual time worked. Canstar provided a copy of the driver's handwritten timesheet for September 9, 2022.

Decision

- 13. I accept the undisputed findings of the Audit Report that Canstar does not have any payroll records prior to August 2021 and I find that Canstar was in breach of section 25 of the *Act* and section Appendix D, Section B (1) of the Container Trucking Services License when it failed to maintain and provide payroll records for February and April, 2021.
- 14. I accept that the total hours worked calculated by the driver is more than the start and end time listed on his timesheet and this accounts for the discrepancy of .50 hours during the September 1 -15, 2022 pay period. Therefore, I find that the driver was paid in accordance with section 22 and 23 of the *Act* in September 2022.

- 15. The seriousness of the available penalties indicates the potential gravity of non-compliance with the *Act*. The *Act* is beneficial legislation intended to ensure that licensees pay their employees and IOs in compliance with the established rates. Licensees must comply with the legislation, as well as the terms and conditions of their licences, and the Commissioner is tasked under the *Act* with investigating and enforcing compliance.
- 16. In keeping with the above-described purpose of the legislation the factors which will be considered when assessing the appropriate administrative penalty include the following as set out in Smart Choice Transportation Ltd. (OBCCTC Decision No. 21/2016):
 - The seriousness of the respondent's conduct;
 - The harm suffered by drivers as a result of the respondent's conduct;
 - The damage done to the integrity of Container Trucking Industry;
 - The extent to which the licensee was enriched;
 - Factors that mitigate the respondent's conduct;
 - The respondent's past conduct;
 - The need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of having a CTS licence;
 - The need to deter licensees from engaging in inappropriate conduct, and
 - Orders made by the Commission in similar circumstances in the past.
- 17. While I understand that there was an ownership change in Canstar, the new owner assumes Canstar's record keeping responsibilities and the new owner's failure to obtain the documents from the previous owners due their destruction cannot used to avoid responsibility. Many audits have identified failures by licensees to keep records pursuant to the CTS license for various reasons and penalties have been assessed for such failures.²
- 18. In <u>HAP Enterprises Ltd.</u> (CTC Decision No. 17/2016), the Commissioner highlighted the record keeping requirements of the CTS Licence, noting at paragraph 22 that:

The requirement to keep complete, accurate and up-to-date records is a fundamentally important obligation flowing from the legislation and the Container Trucking Services Licence (the "licence"). The maintenance of complete, accurate and up-to-date records by licensees is absolutely essential to the OBCCTC's fulfillment of its rate compliance mandate and its ability to properly perform audits in a timely and fulsome way. Failure to keep proper records...will not be tolerated and will be regarded as a serious violation of licensees' obligations under the legislation and their licence.

19. Regarding the size of the proposed fine, I have decided that an administrative penalty of \$2,000.00 is appropriate in this case. In assessing an appropriate penalty, the factors that have been taken into account include Canstar's failure to keep records, its previous compliance history and the consequences of Canstar's non-compliance.

² See for example MDW Express Transport Ltd. (CTC Decision No. 01/2017), Hutchison Cargo Terminal Inc. (CTC Decision No. 27/2018), Best Can Trucking Ltd. (CTC Decision No. 03/2022) and ADP Transport Ltd. (CTC Decision No. 06/2024)

- 20. Canstar was found to be in violation of the *Act* in 2017 and was penalized \$1,500.00 for failure to pay the regulated rates. In this case, Canstar paid compliant rates and paid its drivers for all hours of container trucking services in the months where records were available. I also note Canstar provided payroll records to the auditors up to November 2020 during the previous audit and has retained payroll records starting in August 2021 and therefore the missing payroll records cover a relatively short period of time. Nevertheless, Canstar violated the record keeping requirements of the *Act* and its licence and the importance of keeping records per the CTS licence and the seriousness of violating the record keeping requirements has been well established.
- 21. In the result, and in accordance with 34(2) of the *Act*, I hereby give notice that I propose to impose an administrative fine against Canstar in the amount of \$2,000.00
- 22. Should it wish to do so, Canstar has 7 days from receipt of this notice to provide the Commissioner with a written response setting out why the proposed penalty should not be imposed.
- 23. If Canstar provides a written response in accordance with the above, I will consider its response and I will provide notice to Canstar of my decision to either:
 - a) Refrain from imposing any or all of the proposed penalties; or
 - b) Impose any or all of the proposed penalties.
- 24. This decision will be delivered to Canstar and will be published on the OBCCTC's website (www.obcctc.ca) after Canstar's response period has closed.

Dated at Vancouver, B.C., this 9th day of September 2025.

Glen MacInnes

Commissioner